

Huirimu Farms Limited (“The Landowner”)

and

Waikato Regional Council

Environmental Programme Agreement

Prepared by: Paul Smith
Land Management Officer
Waikato Regional Council

Doc # 1934169

1 Applicant Details and Property Description

Date of Application:	9 March 2011
Name:	Huirimu Farms Limited
Postal Address:	625 Huirimu Road, R.D.7, TE AWAMUTU 3877
Physical Address:	2035 Waipapa Road, Otorohanga District
Owner Contact:	Mat Sherriff
Phone Numbers:	07 872 3622 or 0274 468 854
Email:	matsherriff@yahoo.com

Property Name:	Huirimu Farms Limited; Dairy Unit		
Registered Owner (s):	Huirimu Farms Limited		
Legal description:	Sections 20 and 26 Block XII Wharepapa Survey District		
Area (ha):	307.96 ha	Valuation Number :	05680/258/00

Zone / Area / Scheme:	Upper Waikato		
Reach:	Lake Arapuni Catchment Control Scheme area		
Zone Budget	Docs#1503872		
Works Cost Table	Docs#1946663		
File Number:	Z12 P1519		
Waikato Regional Council contact	Paul Smith Postal: Waikato Regional Council, PO Box 3038, Waikato Mail Centre 3240 Telephone: 0800 800 401; 021 791 636 Email: paul.smith@ew.govt.nz		

2 Objectives

The purpose of this agreement is to reduce soil erosion, protect water quality and enhance biodiversity values in the Upper Waikato catchment by:

- Stabilisation of erosion-prone soils with appropriate management and/or plantings
- Exclusion of livestock from erosion prone areas, waterways, wetlands and forest fragments.
- Enhancement of in-stream habitat through shading and reduced sedimentation
- Enhancement of biodiversity and habitat through control of exotic weed species and native re-vegetation plantings.

3 Property Description

Huirimu Farms Limited is located on the eastern side of Waipapa Road, approximately five kilometres north of the Waipapa Hydro Dam. The property was traditionally farmed as 307ha beef and lamb fattening unit, until the summer of 2007 when the property was converted to a 600 to 700 cow dairy unit.

A previous soil and water conservation plan prepared for the property (Waikato Valley Authority Land Improvement Agreement B.007649) describes the area as being “downland divided by tributaries and associated gully systems of Te Rimu Stream in the north and an unnamed perennial watercourse in the south. A steep escarpment and bluffs parallel the Waikato River and western boundary”. Access to the river terraces is via a steep track, such that the river terraces are used as a support block rather than part of the dairy platform.

Elevation rises from 120m asl on the river terrace to 340m asl on the main dairy platform.

Approximately 58% of the property is classified as Land Use Capability (LUC) class 4e 4 and comprise Ngaroma sandy silt soils. An additional 24% of the property is classified as LUC class 6s 1 and the remaining 18%, which makes up the steep escarpment and bluffs, and classed as LUC 8s 1.

4 Description of Issues and Proposed Solutions

(refer map 121519, attached)

4.1 Soil Conservation

4.1.1 Issues

The Waikato region's forest fragments are patches of native vegetation left over after land development. Smaller fragments in particular may never be able to sustain the full range of native plants and animals present before the land was cleared. However, with good management we can help existing trees to live longer, encourage new plants to grow, prevent soil erosion and enhance water quality and provide native animals with food and a place to live. In addition to the current Land Improvement Agreement area which protects one of the few trout spawning streams on Lake Arapuni, the property has a number of tributaries and bush remnants, many of which the landowners have fenced out and protected at their own expense. The escarpment area immediately to the north and south of the property is in native vegetation, with property ownership vested with the Department of Conservation.

Livestock access to the indigenous bush is impacting on vegetation cover and water quality, and is contributing to sedimentation in Lake Arapuni and its tributaries. The steep escarpment terrain (proposed compartment 1) is susceptible to stock induced sheet erosion, and stock access is having a very detrimental effect on undergrowth within the remnant.



Photos 1 & 2: Proposed compartment 1 to be fenced for complete stock exclusion

4.1.2 Proposed Solutions

Compartment 1 is a 39 hectare gully system with mixed bush and grazing pasture, and contains one of the few remaining bush areas on the property currently open to stock. The Te Rimu stream flows through the middle of the gully system. It is proposed to be fenced with 8 wire fencing for permanent exclusion of all livestock. Two small bush remnants at the top of the escarpment and bordering the dairy platform will be fenced out using 2 wire electric fencing. This will control the effects of stock

grazing and treading, allowing improvements in undergrowth cover, and associated benefits in water quality and reduced erosion /sedimentation. Fencing to permanently exclude stock will also led to an improvement in local biodiversity.

A small number of areas along the lake margin stock have direct access to the river. To exclude stock from the river margin a 3 wire fence will be constructed, which will link existing stock excluded areas.

To develop appropriate and permanent fence lines, benching will be required in some areas. Whilst this is necessary, it should be an aim to minimise the amount of earthworks required. Open ground should be re-grassed as soon as possible to prevent soil loss. Supplementary re-vegetation planting is not proposed within this Environmental Programme Agreement as yet.

Stock exclusion from this gully system and lake edge is consistent with the water quality and erosion control objectives of Project Watershed, and qualifies for a 35% grant rate on materials and labour.

Alongside this environmental programme agreement (EPA) the property owners have indicated they will apply for a QEII covenant for compartment 1, along with another small forest fragment on the property not covered under this EPA. The QEII representative for the area, Malcolm Mackenzie, has inspected the site and agreed to put a proposal to the QEII Trust for consideration, and is confident the Trust will accept his recommendation. In the event the QEII Trust covenant application is not successful, for River and Catchment works where Waikato Regional Council's grant contribution exceeds \$10,000, Waikato Regional Council and the Landowner will enter into a Memorandum of Encumbrance or other covenant in respect of this Environmental Programme Agreement.

5 Estimated Costs and Timetable

Year One 1st July 2010 to the 30th June 2011

No.	Compartment	Activity	Type	Units	Cost per Unit	Total Cost
1	Indigenous Retirement	Conventional Fence	8 w	625	\$15.00	\$9,375.00
1	Indigenous Retirement	Electric Fence	2 w e	680	\$5.00	\$3,400.00
Total:						\$12,775.00

Year Two 1st July 2011 to the 30th June 2012

No.	Compartment	Activity	Type	Units	Cost per Unit	Total Cost
1	Indigenous Retirement	Conventional Fence	8 w	625	\$15.00	\$9,375.00
1	Riparian Retirement	Electric Fence	3 w e	400	\$6.00	\$2,400.00
Total:						\$11,775.00

Total **\$24,550.00**

Funding Summary

Sources of Funding	% of Cost	Year 1	Year 2	Total
Soil Conservation				
Property Owner	65%	\$8,303.75	\$7,653.75	\$15,957.50
Environment Waikato; Land and Catchment Services	35%	\$4,471.25	\$4,121.25	\$8,592.50
Total Soil Conservation		\$12,775.00	\$11,775.00	\$24,550.00
Total				\$24,550.00

Note:

- All costs are GST exclusive
- If actual costs are less than estimated costs - refund will be based on actual costs.
- If actual costs exceed estimated costs - refund will be based on estimated costs. However, actual costs may be considered if reasonable and depending on budget constraints.

6 Responsibilities

The Landowner will be responsible for the maintenance of the works, which includes but is not limited to:

6.1 Fencing

Fencing shall be carried out as outlined below:

- a) An 8 wire fence will be constructed to exclude stock from the area marked as compartment 1 as indicated on Map 121519.
- b) In addition to a) two sections of 2wire electric fencing will be constructed to exclude stock from the area marked as compartment 1 as indicated on Map 121519.
- c) Maintenance of the fence will be the responsibility of the Landowner and will be carried as and when necessary to ensure stock are excluded at all times.

6.2 Vegetation

The following maintenance will be carried out within areas indicated on Map 121519.

- a) All Eradication and Containment plant pests (Environment Waikato Regional Pest Management Strategy, 2008) will be controlled.
- b) All efforts will be made to ensure survival of native plants, which may include control of invasive exotic species.
- c) In the event re-vegetation planting is undertaken all re-vegetation plantings will need releasing from competing vegetation at least once during the first season after planting, and up to twice in the second and third seasons after planting. Assistance of up to 35% of cost may be available from Waikato Regional Council, subject to application and approval.

6.3 Grazing Management

There will be no grazing permitted within any compartments as indicated on Map 121519.

6.4 Pest Animal Management

All efforts must be made by the Landowner to control pest animal within the compartments indicated on Map 121519.

7 General Property Recommendations

7.1 Soil management

To minimise sheet, soil slip and gully erosion on moderately steep-to-steep terrain (20-30 degree slopes), stock management should aim to prevent the incidence of bare ground, especially on steeper slopes. Tracks, fence lines, gates and troughs should generally be sited to avoid stock-induced erosion or destabilisation of adjoining slopes. Tracks should be constructed and maintained to control runoff and prevent surface erosion.

For flat to gently rolling terrain (up to 15 degree slopes) the above practises also apply. Where cultivation is required it is recommended that this be carried out on the contour with minimum tillage to address potential soil erosion.

Winter stock management should aim to avoid soil compaction (pugging) on all land. Such management will help prevent soil erosion, nutrient loss and loss of soil structure. These soil issues often result in increased runoff rates and loss of production from the land. The Landowner is

encouraged to use suitable monitoring tools and management advice is available from the following sources:

- Waikato Regional Council Land Management Officer at the local Waikato Regional Council Office.
- *Managing Treading Damage on Dairy and Beef Farms in New Zealand*. AgResearch Ltd, 2003.
- *Visual Soil Assessment: Vol. 1, Cropping and Pastoral Grazing on Flat to Rolling Country*; and *Vol. 3, Hill Country Land Uses*. horizons.mw Report No. 20/EXT/425. horizons.mw and Landcare Research NZ Ltd, 2000.

7.2 Water Quality

Controlling erosion and the resulting sediment discharge helps to control phosphorous (P) discharge to waterways. This can be done with good pasture cover by managing stock type and grazing practice, to prevent bare patches and minimise soil loss.

The construction and maintenance of water diversions from tracks to manage stormwater into sumps or onto pasture is recommended. Riparian strips with strong vegetation cover filter sediment to minimise sediment discharge to ephemeral waterways during storm events. Wetland or marsh areas managed as riparian/filter zones are useful for controlling nitrogen (N) discharge, which can occur through overland and groundwater flows. Other options for controlling N discharge include split fertiliser applications when applying urea, utilisation of dairy shed effluent, use of feed/standing pads and reduced stocking rates during winter.

Direct application of fertiliser to waterways should be avoided, while fertiliser application rates and timing should be optimised for maximum pasture uptake and minimum leaching/runoff. A property nutrient budget is recommended to calculate the rates of nitrate leaching and phosphorus runoff, and regular soil testing should be undertaken to monitor changes in soil nutrient levels over time.

In general it is recommended that fertiliser use and application is undertaken in accordance with industry best practice and management advice is available from the following source:

- *Code of Practice for Fertiliser Use – Pastoral Farming Guide*. NZ Fertiliser Manufacturer's Research Association, P O Box 9577, Newmarket, Auckland. Phone 09 415 1359.
- Environment Waikato staff at the local Environment Waikato Office

7.3 Biosecurity

Weeds and pest animal pose a threat to existing vegetation and proposed plantings. It is recommended that these threats be controlled, and management advice is available from the following sources:

- *Controlling weeds in riparian margins. A guide to restoration projects and other plantings* Booklet, published by Environment Waikato
- Waikato Regional Council plant pest and animal pest advisors, phone **0800 BIOSECURITY (0800 246 732)**
- Waikato Regional Council web site: <http://www.waikatoregion.govt.nz/Environmental-information/Plant-and-animal-pests/>
- Weed Busters web site: www.weedbusters.org.nz

7.4 Biodiversity

The establishment of stock exclusion areas in riparian areas and on steep unproductive land creates opportunities to enhance local biodiversity by encouraging indigenous fauna and flora. It is recommended such opportunities be pursued where practical, and management advice is available from the following sources:

- Waikato Regional Council web site: <http://www.waikatoregion.govt.nz/Publications/>
- Biodiversity Advice Waikato web site: www.waikatobiodiversity.org.nz
- NZ Ecological Restoration Network web site: www.bush.org.nz

8 Agreement

1. Waikato Regional Council and the Landowner agree to undertake the works in partnership as outlined in this agreement, in accordance with the Objectives, Proposed Solutions and timeframes. If works are not carried out within the time frames indicated in the proposal, annual grant funding may be re-allocated to other programmes unless specific arrangements have been made with Waikato Regional Council.
2. For River and Catchment and/or Clean Streams works where Waikato Regional Council's grant contribution exceeds \$10,000, Waikato Regional Council and the Landowner will enter into a Memorandum of Encumbrance or other covenant in respect of this Environmental Programme Agreement.
3. Works will generally be in accordance with those set out in the agreement, but may be varied or extended subject to consultation with Waikato Regional Council. A review will be undertaken every five years.
4. Funding for works outlined in this agreement are subject to availability. Funding is to be reviewed on an annual basis.
5. Grant rates will be in accordance with those specified in the Funding Summary table. Grant claims will be accepted on the basis of actual and reasonable costs, subject to proof of cost or other supporting documentation.
6. The Landowner is responsible for maintenance of works carried out under this agreement. Grant assistance up to 35% of cost may be available from Waikato Regional Council, subject to application and approval.
7. The Landowner will at reasonable times allow Waikato Regional Council or its agents, upon prior notification, to inspect the condition of the works and to review related management issues.

- 8. The Landowner will notify Waikato Regional Council of any pending change of ownership, including subdivision, to facilitate an up-to-date record of Landowner details.
- 9. If the Landowner, as signatory to this agreement, fails to maintain works as agreed in this Environmental Programme Agreement, Waikato Regional Council will notify the Landowner in writing specifying the action or repairs required and a suitable timeframe to complete the actions or repairs. If the Landowner fails to comply with the notice Waikato Regional Council by its servants, agents or contractors may (but without obligation to do so) enter upon the land and carry out works deemed necessary and recover costs of doing so from the Landowner.

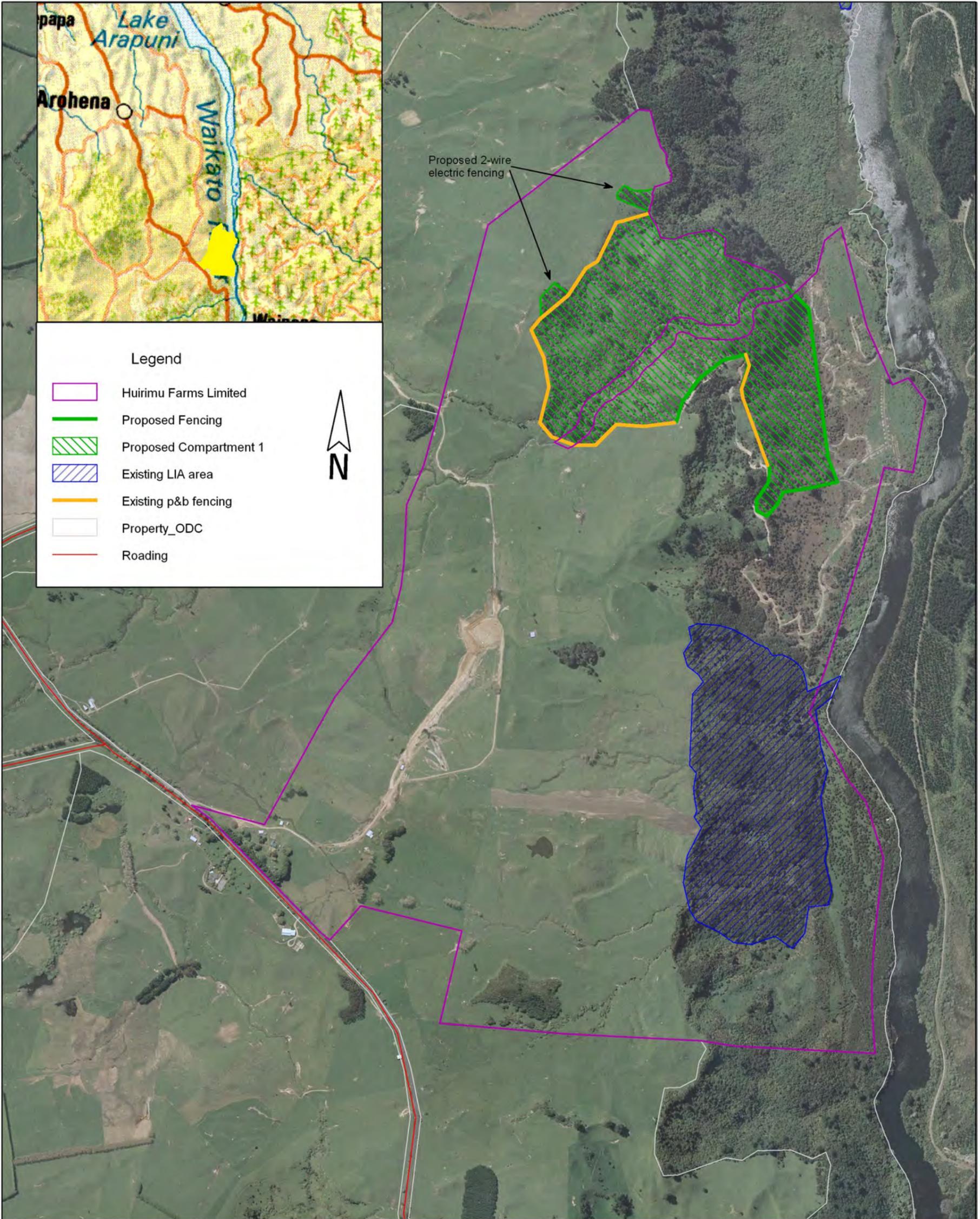
10. Dispute resolution

- 10.1 In respect of any dispute between the parties arising out of or in connection with this agreement, the parties shall first attempt to negotiate a resolution.
- 10.2 If negotiations fail, either party may elect to have the dispute resolved by a sole mediator jointly appointed by the parties or if the parties cannot agree on the mediator, then a mediator appointed by the President for the time being of the New Zealand Law Society of his or her nominee. The election to mediate is to be made within ten (10) working days of notice of the dispute or at any other time as agreed between the parties.
- 10.3 If mediation is not elected or if mediation is unsuccessful then the matter can be referred to arbitration if both parties agree in writing to this occurring. Such agreement must be reached within ten (10) working days after the parties' right to elect mediation has elapsed or the conclusion of the mediation process.
- 10.4 If arbitration is not elected pursuant to clause 10.3 then the dispute shall be resolved by the Courts.

I/we (registered owners) _____

agree to the above terms

Signed Date



Environmental Programme Agreement
Map # 121519
Huirimu Farms Ltd

Created by: Paul S
Projection: NZMT
Date: 22/02/11

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9 Project/Funding Approval

Proposed: Paul Smith (Land Management Officer)	
Date:	
Approved: Lawrie Donald (Zone Manager)	
Date:	